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UNITED STATES DEPARTMENT OF AGRICULTURE  
FEDERAL CROP INSURANCE CORPORATION

August 18, 1949

1949 LOSS ADJUSTMENT MANUAL FOR MULTIPLE CROPS  
(For Dakota, Goodhue and Stevens Counties,  
Minnesota; Hutchinson County, South Dakota;  
Fond du Lac County, Wisconsin; and Gratiot  
County, Michigan)

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INTRODUCTION

Adjusters should familiarize themselves with the Inspection Reports and Statements in Proof of Loss and their use as explained in this procedure. They should also be familiar with the general provisions of the program that they may ably represent the Corporation in any contacts.

SECTION I. INSPECTIONS AND PREPARATION OF THE INSPECTION REPORT

Subsection A. General

1. Waiver of Inspection

No inspection of a crop is to be made if the Form FCI-8-Revised, "Notice to the Corporation of Probable Loss or Damage," (herein called Form 8) does not include a request for release of acreage and if the state director or the person designated by him, determines that an inspection is not necessary. In such cases a letter shall be sent to the insured setting forth the following:

- a. The insured's contract number and the description of the acreage involved;
- b. The reason an inspection is not deemed necessary at that time;
- c. That any later material damage to the crop(s) or loss should be reported promptly; and
- d. That evidence of planting should not be destroyed or other use made of the acreage before an inspection is made by a Corporation representative.

This letter should be prepared in triplicate, the original mailed to the insured, a copy forwarded to or retained by the state director, and a copy filed in the insured's county office folder.

No further action on the part of the adjuster is necessary on the case unless another Form 8 which requests a release of acreage is received or the state director or the person designated by him determines an inspection is necessary. Then an inspection should be made promptly.

2. Preliminary Steps Before Inspection

The adjuster shall visit the county office and familiarize himself with all material in the insured's file including any Form FCI-863, "Inspection Report," (herein called Form 863) previously prepared, and current correspondence, and shall obtain records and other data which will be helpful to him in making the inspection. This provision may be waived if such information is otherwise available to the adjuster, or is not needed by him in making an early inspection.



### 3. Inspection Report for Each Crop, Etc.

When an inspection is required the adjuster shall prepare Form 863 in accordance with subsection B below for each insured crop inspected on each insurance unit at the time the inspection is made. Also a separate inspection report should be prepared for each insured mixture of flax and spring wheat as well as spring wheat and oats. In the Minnesota Counties, if spring wheat is insured under a wheat contract, it will not be considered under the multiple crop contract.

A separate Form 863 shall be prepared for each insured crop or insured mixture, for each part of an insurance unit in the following cases:

- a. When a transfer of interest has been approved involving a part of the acreage or a part of the insured's interest in the crop(s) on the unit; or
- b. When the insured has different shares in the crop(s) on parts of the unit; or
- c. When parts of the unit are located in different coverage and rate areas (herein called "areas" and applicable only to Dakota County, Minnesota).

### 4. Inspections on Commingled Production, Transfer of Interest, and Special and Meritorious Cases

Form 863 should be completed by the adjuster as fully as possible (or if impossible to use Form 863, all factual data should be secured and reported on Form FCI-6, "Statement of Facts," (hereinafter called Form 6), and forwarded to the state director for his consideration and instructions on further handling (including the settlement of any loss) in any case involving commingled production, transfer of interest and other unusual cases.

### 5. Use of "Report of Production for Multiple Crop Insurance"

If a probable loss is reported in a case where the insured corn crop has matured but has not been harvested the adjuster should review the related "Report of Production for Multiple Crop Insurance" (See copy in Appendix). The adjuster should inspect the farm and appraise the production of corn in the field if the report reveals that (a) the total value (production times the fixed price(s)) of all harvested insured crops is less than the total coverage for all insured crops and (b) it is not obvious that the value of the production from the unharvested corn acreage will equal or exceed the difference mentioned above. If it is obvious from the report (for example a large acreage of insured corn is reported in good condition) that the total value of the production of the harvested crops plus the unharvested corn, will equal or exceed the total coverage, no inspection of the farm should be necessary unless due to other circumstances it is felt advisable to make the inspection.

### 6. Insurance Unit

It is essential that the adjuster clearly understands what constitutes an "insurance unit," because losses are adjusted on an insurance unit basis.



An insurance unit consists of (a) all of the insurable acreage in the county in which the insured has 100 percent interest at the time of planting, or (b) all the insurable acreage in the county owned by one person which is operated by the insured as a share tenant at the time of planting, or (c) all of the insurable acreage in the county which is owned by the insured and is rented to one share tenant at the time of planting. For the purpose of determining the land constituting an insurance unit, cash rented land or land rented for a fixed commodity rent shall be considered as being owned by the lessee. Land which is designated on the crop insurance map as "unclassified" does not constitute an insurance unit or any part thereof.

The program offered the insured an opportunity (on or before the closing date for filing applications) to combine what would otherwise be two or more insurance units into one combination unit. A check of the acreage report should be made by the adjuster to determine if such a combination has been effected.

#### Subsection B. Preparation of Inspection Report (Form 863)

When an inspection is to be made and a Form 863 prepared, the following applies to each insured crop or insured mixture, except as otherwise noted.

##### 1. Heading

All entries are self-explanatory and shall be completed for each Form 863 prepared.

##### 2. Part I - Fields or Tracts Containing Damaged Acreage

Data for each field or tract containing damaged acreage shall be entered in Part I. Part I shall include the shares of all persons in the acreages and appraised production of the insured crop(s) on the unit (or part thereof covered by Form 863). Data for all fields or tracts may be entered for pre-harvest inspections at the discretion of the state director; however complete data for all fields or tracts must be entered at any time a loss is adjusted. Where there is insufficient space in Part I to record the necessary data, additional Forms 863 shall be prepared and properly identified as "Continuation Sheet: Page \_\_\_ of \_\_\_ pages." All fields or tracts, and the measurements where applicable of such field or tracts shall be shown on the sketch map in Part III.

Column A: For pre-harvest inspections enter the identification of each field or tract as instructed by the state director. When a loss is adjusted enter the identification of all fields or tracts on the unit. (This identification shall correspond with the identifying symbols assigned to each field or tract on the sketch map in Part III.)

Column B: Enter the estimated total acreage (or the measured acreage) of the insured crop(s) in each field or tract. In the case of inspections during the growing season the letter E should be entered and circled immediately following the acreage figure if the acreage is estimated and the letter M if the acreage is measured. The acreages entered at the time the loss is adjusted must be measured acreage.



Column C: Enter the acreage which is released in each field or tract. Estimate this acreage as accurately as possible, except that the acreage shall be accurately determined (1) where all of the insured acreage on the unit is being released, or (2) where the boundaries of the acreage being released cannot be definitely determined at a later date. Where the acreage being released is only a part of the acreage in a field or tract, its location shall be sketched on the map in Part III.

The adjuster shall not release any acreage planted to the insured crop(s) during the early growing season until he determines that:

- a. The insured crop(s) has been destroyed or substantially destroyed. The crop(s) is not considered to be substantially destroyed unless it has been so badly damaged that farmers generally in the area where the land is located and on whose farms similar damage occurred would not further care for the crop(s) or harvest any part thereof, and
- b. It is too late to replant to the insured crop(s) in the area. The question of when it is too late to replant shall be resolved by determining if producers generally in the area, particularly uninsured producers, are still planting or replanting. If this is the case and it is practicable to replant, the insured shall be informed that unless the acreage is replanted to the insured crop(s) it will not be considered as insured acreage. The insured shall also be informed that no premium will be due and no loss will be payable on any acreage which is not insured acreage.

Column D: For each acreage released, enter a per acre appraisal of the estimated yield that would be realized if such acreage remained for harvest. Since the Corporation is relinquishing its opportunity to determine the actual yield, in making this appraisal the adjuster must assume that favorable growing conditions will prevail until harvest time. Where any of the damage is due to cause(s) not insured against the extent and cause of such damage shall be described in Part III.

- a. When an appraisal is to be made of the insured mixtures (flax and spring wheat or spring wheat and oats) the following instructions apply:
  - (1) Flax and spring wheat: Appraise separately the production of flax and of wheat that could be expected if the mixture remained for harvest. Estimate the percentage of each that would be in the mixture if it were carried to harvest. Following the number of acres released (column C) place a bracket to extend over two lines of column D. On one line in column D identify and enter the appraised production per acre in bushels of flax and the estimated percentage (for example if the appraised production of flax is 1 bushel which represents an estimated 20 percent of the combined production the entry should read f-1-20); on the second line enter the wheat data (for example w-4-80).
  - (2) Spring wheat and oats: Appraise separately the production of spring wheat and oats that could be expected if the mixture on this acreage



remained for harvest. Convert the bushels of wheat to bushels of oats on a weight equivalent basis. Enter in column D the total appraised production per acre of the mixture as bushels of oats. (For example an appraised production of 2 bushels of wheat (equivalent to 3.8 bushels of oats on a weight equivalent basis) and 5 bushels of oats would be entered as 8.8 bushels.)

- b. When mature unharvested corn is to be appraised in the field a recognized method of sampling, approved by the state director, must be used. Suggested methods are given in the attached appendix. Also given in the appendix are methods for use in determining shelling percentage and moisture content.

Column E: Make no entry in this column.

Column F: Enter the primary insured cause of damage to the insured crop for each field or tract identified in column A. Where any of the damage is due to cause(s) not insured against the cause and extent of such damage shall be described in Part III.

Column G: Enter the date of the insured damage to the insured crop(s) in each field or tract.

Column H: Enter the actual or intended use of the acreage in each field or tract. The stage of production number should be entered and circled in the left side of column H.

Column I: Enter the name of the person other than the insured who shares in the insured crop(s) in each field or tract. Ditto marks may be used rather than writing the name of the same person on succeeding lines.

Column J: Enter the share in the crop(s) of each person whose name appears in column I. If the share(s) reported by the insured at the time of inspection as his share(s) in the crop(s) at the time of planting varies from his previous reports, explain such discrepancy in Part III.

### 3. Part II. Threshed Grain

Unless otherwise specified the instructions below apply to all insured crops including mixtures.

Part II shall include the shares of all persons in the threshed or harvested production of the insured crop(s) on the unit (or part thereof) covered by Form 863.

#### Item 1. Farm stored grain

The data for each crib or bin of the insured crop harvested on the insurance unit in the 1949 crop year shall be recorded in this part of Form 863. All dimensions listed must be actual inside measurements and must be expressed in feet and tenths of feet. Data for rectangular or round cribs or bins may be recorded on the same Form 863. Where the gross bushels (or pounds for dry beans) were determined by weight before the insured



crop(s) was stored in the crib or bin and records of this determination are available and acceptable to the adjuster, the manner in which such determinations were made shall be entered on the applicable line(s) in Part II and only columns T, U and V need be completed except for dry beans, in which case columns R, S, T, U and V need to be completed.

Column K: Enter the crib or bin number, which shall be assigned by the adjuster if not already numbered. For corn, following the crib or bin number enter the applicable of "shelled" or "ear".

Column L: Enter the length of the crib or bin, or if it is round enter the diameter.

Column M: Enter the width of the crib or bin; (if it is round no entry shall be made).

Column N: Enter the depth of the contents in the crib or bin. The crop must be level before measuring. Measure only the 1949 crop if the crib or bin contains other than current production.

Column O: Enter the gross cubic feet of the contents which shall be computed as follows:

a. Rectangular bins (inside measurements)

Multiply the length by the width by the depth of the crop. (Columns L x M x N). Round to tenths of feet after each computation.

b. Round bins (inside measurements)

Multiply the square of the diameter by 0.7854 and multiply the result by the depth of the crop (columns L x L x 0.7854 x column N). Round to tenths of feet after each computation.

Column P: Enter the cubic feet of deduction for space occupied by chutes, vents, studs, cross-ties, etc., if any, which have been included in the overall measurements of the crop.

Column Q: Enter the result obtained by subtracting the quantity shown in column P from the quantity shown in column O.

Column R: For all insured crops, except ear corn and dry beans, enter the result obtained by multiplying the quantity shown in column Q by 0.8. (This converts net cubic feet to gross bushels by weight.) Round to tenths of bushels.

For ear corn enter the result obtained by multiplying the amount in column Q by 0.4.

For dry beans change the heading of column R to read "Gross pounds". Enter the result obtained by multiplying the quantity shown in column Q by 0.48. Round to whole pounds. This conversion factor is based on a test weight of 60 pounds to the bushel. If the insured believes that the actual test weight is more or less than 60 pounds an actual test weight per bushel



should be obtained and multiplied by 0.8 in order to determine the correct conversion factor. In such cases the new conversion factor should be substituted for the 0.48.

If the insured dry beans produced on the insurance unit are sacked and stored either on or off the farm, or beans are held for seed the total number of sacks of beans and the average weight of beans per sack (not including the weight of the sack) should be noted in items 3 and/or 4 and the total weight of the beans in these two items should be added to the entry in column R. When items 3 and 4 are used as indicated no extensions should be entered in column V for these items.

Column S: For all insured crops, except corn and dry beans enter the respective test weight which shall be as follows: wheat and soybeans 60 lbs.; flax 56 lbs.; barley 48 lbs.; and oats 32 lbs. However, if it appears that the actual test weight is more or less than that stated, an actual test weight should be determined and used.

For all insured crops if the test weight is to be determined representative samples shall be taken from each crib or bin for this purpose. These samples shall be properly designated by the adjuster to correspond with the crib or bin numbers.

For corn enter the test weight or the moisture content whichever applies.

For dry beans delete the words "Test weight" and enter m-s defects" (milling and screening defects) in the heading of column S. Enter the product of column R and the percentage of defects (if any) by weight removed by milling or screening as determined from representative samples.

Column T: (See Appendix for percentage factors for test weight or moisture content mentioned below.) For all insured crops except corn and dry beans enter the result obtained by multiplying the entry in column R by the respective percentage factor for the test weight listed in column S. This entry shall be rounded to tenths of bushels.

For corn enter the result, rounded to tenths of bushels, obtained by multiplying the entry in column R by the percentage factor for test weight or the moisture content whichever is applicable.

For dry beans delete the words "gross bushels by weight" and insert "weight of cleaned beans" in the heading of this column. In the case of farm stored beans (including any entries in items 3 and 4), enter the result obtained by subtracting the quantity (if any) shown in column S from the quantity shown in column R. If there is no entry in column S the entry in column R shall be entered in column T. In addition the weight of the cleaned beans which are warehouse stored or sold should be entered in this column. If farm stored beans, warehouse stored beans or beans sold are involved each should be listed on a separate line in column T with cross references to items 2, 3, and 4.

Column U: For all insured crops except ear corn and dry beans in areas where it is customary to sell the crop(s) on a clean basis, enter the percentage of dockage or foreign material. The percentage of dockage or foreign material shall be determined on the basis of weight (not volume).



For ear corn delete the word "Dockage" in the heading of column U, and enter in column U the factor for shelling percentage, when applicable, as determined in accordance with related instructions in the appendix. If a shelling percentage factor is not determined enter a dash (-).

For dry beans delete the words "Percent of dockage if any" and insert "Percent of pick." Enter 4% unless the pick can be determined from a representative sample. The actual pick will be evident for beans in the 3rd stage (threshed) and possibly evident for beans in certain periods of the 2nd stage (pulled or cut but not threshed).

Column V: For all insured crops except corn and dry beans multiply the entry in column T by the entry in column U, subtract the result thus obtained from the entry in column T, and enter the remainder in column V. Round to tenths of bushels. If there is no entry in column U, the entry in column T shall be entered in column V.

For shelled corn the entry in column T shall be entered in column V. For ear corn multiply the entry in column T by the entry in column U and enter the product in column V. Round to tenths of bushels. If there is no entry in column U the entry in column T shall be entered in column V.

For dry beans delete the words "Net bushels by weight" and enter "Pounds - picked beans" in the heading of column V. Multiply the entry in column T by the entry in column U, subtract the result thus obtained from the entry in column T and enter the remainder in column V. Round to whole pounds.

Item 2: For all insured crops enter the name(s) and address(es) of the elevator(s), warehouse(s), or person(s) with which any insured crop produced on the insurance unit is stored or to whom the insured crop has been sold. Except for dry beans, following each name and address, enter in column V the net bushels of the insured crop stored or sold. This entry shall be expressed to tenths of bushels.

Items 3 and 4. For all insured crops except dry beans these items are self-explanatory. For dry beans refer to the instructions under column R and no entries are to be made in column V for these items.

Item 5. For all insured crops this item is self-explanatory.

Crops damaged or destroyed after harvesting shall be considered as production and entered in this item.

Item 6. For all insured crops enter the sum of the entries in items 1 to 5 inclusive. This entry shall be rounded to whole units, and must include the shares of all persons having an interest in the applicable insured crop on the insurance unit.

Item 7. For all insured crops this item is self-explanatory, except if a part of the respective crop were harvested a considerable time in advance of the rest of the crop, the date of the completion of both periods of harvest shall be entered.

Verification of Computations: After all of the entries and computations have been made as provided above, they shall be rechecked for accuracy and for completeness.



4. Part III - Adjuster's Narrative Report and Sketch of Insurance Unit

- a. Part III shall be completed each time a Form 863 is prepared. It shall contain all additional information which the adjuster feels would be of value in determining a loss including the information requested herein and any other information required by the state director. The space in Part III may be supplemented by using a Form 6.

Any causes of damage not included in Part I, and the dates thereof shall be entered in Part III. When any damage is due to an uninsured cause, enter a full explanation and set forth the extent of such damage, including the number of acres damaged and the appraised reduction in production per acre due to such damage. A notation describing the condition of all of the acreage of the insured crop(s) which is not accounted for in Part I shall be included in Part III.

b. Sketch Map of Insurance Unit

The adjuster shall make a rough sketch of the unit in the space provided for:

- (1) Any part or all parts of the insurance unit which is inspected during the growing season.
- (2) The entire insurance unit at the time a loss is adjusted.

(If more than one Form 863 is prepared for a unit to cover different areas, interest, etc., only one of the forms need show a sketch of the entire unit.) The following data shall be entered in or near each field or tract on the sketch map (or in the Narrative Report where there is insufficient space on the sketch map):

- (a) An identifying field or tract symbol (A, B, C, 1, 2, 3, N.W., S.E., etc.)
  - (b) Condition of the crop at the time of the inspection.
  - (c) Any measurements taken or landmarks used or to be used in determining the acreage.
- c. Date and Signature: In the space provided above Part III, the adjuster shall sign Form 863 and enter the date on which the inspection is made. Upon completion of the final inspection report the signature of the insured should be obtained in all cases unless the insured is unavailable or it is impractical to secure his signature.
- d. Distribution: Copies of Form 863 shall be distributed in accordance with Section IV hereof.



SECTION II. ADJUSTMENT OF CLAIMS

Subsection A. General

1. A separate Form FCI-867-M, "Statement in Proof of Loss for Multiple Crops", (herein called Form 867) shall be prepared for each insurance unit on which a loss is claimed.
2. The insured shall:
  - a. Use Form 867 in submitting a claim for loss;
  - b. Submit claim for loss within 60 days after the time of loss. (In case all of the acreage on the insurance unit is released prior to harvest, the time of loss is the date of the damage resulting in the release. In case the harvesting is completed for the insurance unit prior to the end of the insurance period the time of loss is the date of completion of harvesting. In case the harvesting is not completed for the insurance unit prior to the end of the insurance period, the end of the insurance period is the time of loss);
  - c. Establish the amount of any loss for which claim is made and that it has been directly caused by one or more of the hazards insured against under the contract during the term thereof, and that the loss has not arisen from or been caused by, either directly or indirectly, any of the hazards not insured against.
3. The adjuster shall:
  - a. Not sign a Form 867 until he has (1) inspected the entire insurance unit, (2) determined the acreage planted to the insured crops on the insurance unit, (3) verified to his satisfaction the production for the insurance unit, and (4) made any necessary appraisals of production per acre.
  - b. Not sign a Form 867 as long as there is any possibility of harvesting any production from the insurance unit at a later date except where the loss is settled on the basis of an appraisal in the field.
  - c. Explain to the insured, if there is no loss, why there is no loss. If a loss appears probable and the insured desires to know the amount of indemnity the adjuster should compute the amount of loss and inform the insured of the approximate amount. In all cases the insured shall be told that the computations will be verified and audited by the Corporation and that his copy of Form 867 then will be mailed to him.
  - d. Follow the instructions in Section III, subsections B and C where the notice of loss is not submitted by the insured within 15 days after harvesting is completed or December 31, 1949, whichever is earlier and where the Statement in Proof of Loss is not submitted within 60 days after the time of loss.
4. Where the insured fails to establish and maintain separate records of production for insured and uninsured acreage the production from the uninsured acreage shall be considered to have been produced on the insured acreage and the loss adjusted in the usual manner. If the adjuster feels that the



insurance with respect to the insurance unit(s) should be canceled, he shall attach a Form 6 setting forth the facts which he feels justify this action and his recommendation. In such case if the contract is canceled the insured may still be required to pay the premium.

Subsection B. Preparation of "Statement in Proof of Loss for Multiple Crops," Form 867

1. The instructions set forth in this subsection apply in nearly all cases. Unusual cases should be referred to the state director for his instructions on further handling. Unusual cases include but are not limited to transfer of interest, commingled production and special and meritorious cases.
2. Form 867 is a Rediform set consisting of an original and three copies, and shall be prepared as follows:

- a. Heading. These entries are self-explanatory. The name of the insured on Form 867 should agree with the way it appears on the application. If it does not correspond and the name of a legal representative, legal entity, or transferee has been entered, a Form 6 fully explaining the disagreement shall be attached to Form 867.

- b. Boxes

Box A: Enter the total premium based on the reported acreage for the insurance unit as shown on the last approved acreage report.

Box B: Enter the premium based on the measured acreage on the insurance unit (excluding any acreage on which an insured crop is destroyed or substantially destroyed at a time that it could be replanted to the same crop and such acreage is not replanted to that crop). This acreage shall be determined accurately by the adjuster. All practical use shall be made of measurements on file in the county office, and other accurate data. Measuring equipment, if used, shall be checked for accuracy. Where it is necessary to compute an adjustment factor for item 13, the bottom part of a Form FCI-919-M, "Multiple Crop Insurance Acreage Report," may be used to summarize the data in columns C, D, E, and F and compute the premium for Box B of Form 867.

Where applicable, the adjuster shall inform the insured of the following:

- (1) If the premium on the measured acreage is less than the premium on the reported acreage the loss, if any, will be settled on the basis of the measured acreage and the premium adjusted accordingly;
- (2) If the premium on the measured acreage exceeds the premium on the reported acreage, the loss which would otherwise be determined will be reduced proportionately.

3. Part I. Coverage and Value of Production for Measured Acreage

- a. Part I of Form 867 differs from Part I of all other Statements in Proof of Loss in that the acreage classifications showing the stage of production for each acreage are not shown. Since these are not shown on the



form the adjuster should be familiar with the seven itemized acreage classifications as shown in the schedule on page 3 of the Policy. The following important factors shall be kept in mind in preparing Part I.

- (1) Two lines in column A should be used for a mixture of flax and spring wheat followed by a bracket. In such cases only one line should be used in columns B, C, D, E, and F but the crops in this mixture must be handled individually in columns G, H, and I.
- (2) In connection with any computation, rounding shall be performed as follows: Carry the computation one digit beyond the digit to be rounded. If the last digit is 5 or larger round upward; if the last digit is 4 or smaller, disregard it.
- (3) All acreage figures shall be shown to tenths of acres.
- (4) Total production figures for each crop except dry beans shall be shown in whole bushels. Production figures for beans shall be shown in pounds.
- (5) Any wheat or oats acreage or mixture thereof which the insured designated on his acreage report as seeded for purposes other than for harvest as grain and from which any grain is threshed shall not be included in column C but such acreage shall be entered to the left of column C. The production from any such acreage shall be included and entered as production to be counted in column G.
- (6) The contract shall not cover loss caused by: (a) Failure to follow recognized good farming practices; (b) Poor farming practices including but not limited to the use of defective or unadapted seed, failure to plant sufficient quantity of seed, failure to properly prepare the land for planting or properly to plant, care for or harvest and thresh, the insured crop(s) (including unreasonable delay thereof); (c) Over-pasturage; (d) Following different fertilizer or farming practices than those considered in establishing the coverage; (e) Planting an insurable crop on land which is generally not considered capable of producing a crop comparable to that produced on the land considered in establishing the coverage; (f) Planting a variety of seed which differs materially in yield from the variety considered in establishing the coverage; (g) Planting excessive acreage under abnormal conditions; (h) Planting an uninsured crop with an insured crop or in the growing insured crop; (i) Planting an insured crop under conditions of immediate hazard; (j) Inability to obtain labor, seed, fertilizer, machinery, repairs, or insect poison; (k) Breakdown of machinery, or failure of equipment due to mechanical defects; (l) Neglect or malfeasance of the insured or any person in his household or employment or connected with the farm as tenant or wage hand; (m) Domestic animals or poultry; (n) Action of any person, or state or county or municipal government in the use of chemicals for the control of weeds; or (o) Theft.

Make the following entries for each insured crop(s) on each insurance unit:

Column A: Enter the name of the insured crop.



Column B: Enter the stage of production followed by a dash (-) and the number of the acreage classification as shown in the schedule on page 3 of the Policy.

Column C: Enter the measured acreage. In cases where appraisals for two causes of loss (for example one insured against and the other not insured against) are made for the same acreage, enter the acreage for the insured cause in column C and the acreage and uninsured cause of damage on the following line to the left of column C, to avoid duplicating acreages. In cases of this kind where an appraisal is made for an uninsured cause of damage columns C, E, and F should not be completed.

Column D: Enter the share of the insured in the crop as of the time of loss or the beginning of harvest whichever occurs first. This entry shall be shown as a decimal (for example .25, .333, .667, .75). Where the insured interest entered in any line in column D varies from the reported interest shown on the acreage report, explain the discrepancy on a Form 6.

Column E: Enter the applicable coverage per acre shown on the actuarial table on file in the county office. Where mixtures are insured, the following applies:

- (1) Where flax and spring wheat are seeded together in a mixture the flax coverage shall apply, unless the adjuster determines that more than the customary amount of wheat (to facilitate the production of flax) is in the mixture in which case the wheat coverage applies.
- (2) Where spring wheat and oats are seeded together in a mixture the oats coverage applies.
- (3) Where oats are seeded in the growing wheat crop the wheat coverage applies.

Column F: Compute and enter the total coverage. (Columns C x D x E)

Column G: Enter the total production to be counted as determined below.

- (1) For all insured crops except insured mixtures

- (a) For appraisals in the first stage of production the production to be counted shall be determined as follows:

- (i) Multiply each acreage in the first stage as shown in column C of each Form 863 by the appraised production per acre shown in column D of that Form 863 and total the results.

- (ii) Subtract the coverage per acre in the first stage from the third stage, divide this difference by the contract price for that crop (column H of Form 867) and multiply this result by the number of acres involved.

- (iii) If the entry in (i) above exceeds the entry in (ii) above enter the excess in column G of Form 867. If the entry in (i) above does not exceed the entry in (ii) above enter a "0" in column G of Form 867.



(b) For appraisals in the second stage of production the production to be counted shall be determined as follows:

(i) Multiply each acreage in the second stage as shown in column C of each Form 863 by the appraised production per acre as shown in column D of that Form 863 and total the results.

(ii) Subtract the coverage per acre in the second stage from the third stage. Divide this difference by the contract price for that crop and multiply this result by the number of acres involved.

(iii) If the entry in (i) above exceeds the entry in (ii) above, enter the excess in column G of Form 867. If the entry in (i) above does not exceed the entry in (ii) above enter "0" in column G of Form 867.

(c) For the third stage of production (harvested acreage, or to be harvested in the case of corn) the production to be counted is the applicable of the total harvested production (including grain not threshed but harvested as grain) or the appraised production.

(2) For insured mixtures (Use scratch pad for computations.)

(a) Flax and spring wheat where the flax coverage applies

(In columns G, H and I use one line for flax and another for spring wheat.)

(i) For appraisals in the first stage of production the production to be counted shall be determined as follows:

(a-1) Subtract the coverage for flax for the first stage from the third stage.

(a-2) Obtain the combined value of the appraised production of flax and spring wheat for this acreage by multiplying the per acre appraisals of flax and of wheat (entered on separate lines in column D of Form 863) by the respective contract prices, and this total by the number of acres released.

(a-3) If the combined value in (a-2) is less than the difference in (a-1), times the acres involved, no production is to be counted and a "0" should be entered on both lines in column G of Form 867.

(a-4) If the combined value in (a-2) is more than the difference in (a-1), times the acres involved, determine the amount of the excess. Multiply this excess by the percentage figure entered in column D of Form 863 for flax and divide by \$3.80 (rounding to tenths of bushels) to obtain the flax production to be entered in the line for flax in column G of Form 867.



Obtain the spring wheat production in the mixture (to be entered on the line for wheat in column G of Form 867) in the same manner by using \$1.90 for wheat.

(ii) For appraisals in the second stage of production the production to be counted shall be determined as follows:

(a-1) Subtract the coverage for flax for the second stage from the third stage.

(a-2) Follow steps outlined in (a-2), (a-3) and (a-4) above.

(iii) For the third stage of production (harvested acreage) the production to be counted is the total harvested production.

(b) Flax and spring wheat where the wheat coverage applies in cases where the adjuster determines that more than the customary amount of wheat (to facilitate the production of flax) was used in the seeded mixture. (In columns G, H, and I use one line for flax and another for wheat.)

(i) For appraisals in the first stage of production the production to be counted shall be determined as follows:

(a-1) Subtract the coverage for wheat for the first stage from the third stage.

(a-2) Follow steps outlined in (a-2), (a-3) and (a-4) above. Except under (a-4) the last sentence should read: Obtain the flax production in the mixture (to be entered on the line for flax in column G of Form 867,) in the same manner by using \$3.80 for flax.

(ii) For appraisals in the second stage of production the production to be counted shall be determined as follows:

(a-1) Subtract the coverage for wheat for the second stage from the third stage.

(a-2) Follow steps outlined in (a-2), (a-3) and (a-4) above. Except under (a-4) the last sentence should read: Obtain the flax production in the mixture (to be entered on the line for flax in column G, of Form 867) in the same manner by using \$3.80 for flax.

(iii) For the third stage of production (harvested acreage) the production to be counted is the total harvested production.

(c) Spring wheat and oats (oats coverage applies)

(i) For appraisals in the first stage of production the production to be counted shall be determined as follows:



(a-1) Subtract the coverage for oats for the first stage from the third stage.

(a-2) Obtain the value of the combined appraised production (of wheat and oats) by multiplying the bushels entered in column D of Form 863 by the contract price for oats and by the number of acres released.

(a-3) If the value in (a-2) is less than the difference in (a-1) times the acres involved, no production is to be counted and a "0" should be entered in column G of Form 867.

(a-4) If the value in (a-2) is more than the difference in (a-1) times the acres involved, determine the amount of the excess. Divide this determined excess by .70 (rounding to tenths of bushels) and enter the result in column G of Form 867.

(ii) For appraisals in the second stage of production the production to be counted shall be determined as follows:

(a-1) Subtract the coverage for oats for the second stage from the third stage.

(a-2) Follow steps outlined in (a-2), (a-3) and (a-4) immediately above.

(iii) For the third stage of production (harvested acreage) the production to be counted is the total harvested production. (Spring wheat in a mixture of spring wheat and oats should be converted to oats on a weight equivalent basis as explained under the completion of column D of Form 863.)

(3) Acreage not released for All Insured Crops and Insured Mixtures

(Refer to paragraph (2) above for guides in evaluating appraised production to be counted for insured mixtures where applicable under (a), (b), and (c) below.)

(a) Where the acreage is put to another use without the consent of the Corporation the production to be counted and to be entered in column G of Form 867 shall be the larger of the following: (i) the appraised production or (ii) the bushel or pound equivalent of the coverage on a harvested acreage basis.

(b) Where the yield on an acreage has been reduced solely by cause(s) not insured against, the production to be counted and to be entered in column G of Form 867 shall be the larger of the following: (i) the appraised reduction in production or (ii) the bushel or pound equivalent of the coverage on a harvested acreage basis minus any harvested production from such acreage.



- (c) Where the yield is reduced due partially to cause(s) not insured against and partially to cause(s) insured against the production to be counted and to be entered in column G of Form 867 shall be the appraised production by which the yield has been reduced because of cause(s) not insured against.

Appraisals coming under paragraphs (a), (b), and (c) above should be fully explained on a Form 6.

Column H: Enter the applicable price per unit for valuing the production. The prices are: barley \$1.10 per bushel; corn \$1.35 per bushel; dry beans .06 cents per pound of picked beans; flax \$3.80 per bushel; oats .70 per bushel; soybeans \$2.00 per bushel and spring wheat \$1.90 per bushel.

Column I: Compute and enter the value of the insured's share of the production. (Columns G x H x D).

Item 11. Totals. Enter in item 11 the totals for the respective columns C, F, and I.

4. Part II. Computation of Loss

Item 12. Subtract the entry in item 11 of column I from the entry in item 11 of column F, and enter the result in column J. If the entry in item 11, column I, exceeds the entry in item 11, column F, enter a "0" in column J.

Item 13. If the entry in box B exceeds the entry in box A, divide the entry in box A by the entry in box B, and enter the result, (carried to three decimal places) in the space for "factor". The amount in item 12 should be multiplied by the adjustment factor and the result entered in item 13, column J. If there is no adjustment factor the amount in item 12 should be entered in item 13, column J.

5. Part III. For Branch Office Use Only

The adjuster shall not make any entries in this part.

6. Part IV. Causes of Damage Insured Against

Delete the printed names of the crops where inapplicable and insert the applicable names. No uninsured cause of damage shall be entered in Part IV.

Items 17 through 22. Enter the primary (major) and secondary insured causes of damage to each insured crop, together with the approximate date each cause of damage occurred and the estimated percent contribution of each such cause to the total loss on the insurance unit due to causes insured against. The entries in the columns headed "Percent Contribution" (add across, for each crop) shall total 100 percent of the loss due to causes insured against. Use item 22 for any insured mixture.

If any part of the insured loss is due to an act(s) of a person(s) the adjuster shall prepare a Form 6, setting forth all pertinent facts including the name of the person(s), if possible, and the amount of loss caused by such person(s).



7. Part V. Certification

Item 23

- a. Subrogation. By signing Form 867 the insured agrees among other things, to transfer to the Corporation any right of recovery against any person(s) for damage to the insured crop(s) to the extent that payment for loss resulting from such damage is made to the insured by the Corporation. If applicable, the insured shall be advised of this fact and also that he is not to make any settlement with, or execute a release to, such person(s).
- b. Collateral Assignment. Enter in the space provided either "yes" or "no" to the question whether a collateral assignment is outstanding. If a Form FCI-20, "Collateral Assignment" approved by the Corporation is on file in the county office, "no" shall not be entered until the adjuster determines that the assignee has released the assignment in writing. Where "yes" is entered, and the insured wants the assignee to be paid separately to the extent of the cash amount of the assignment, a statement to this effect, signed by the insured, must accompany the Form 867. If the statement provides for the issuance of a separate check to the insured and a separate check to the assignee for an amount less than that shown on the assignment, it must also be signed by the assignee. If no such statement is attached, a joint check will be issued.
- c. Review: Wherever possible, the adjuster shall review Form 867 and determine that all necessary entries have been made thereon before it is signed by the insured. After the form is signed by the insured, no person has authority to change or enter thereon any data certified to by the insured.
- d. Signature: The adjuster should never request or allow the insured to sign the Form 867 in blank. The insured shall sign and enter the date in the spaces provided in item 23. The signature must actually be affixed by the insured (or other eligible claimant) whose name appears in the heading of Form 867, or by his authorized representative. If after the form has been filed by the insured and it is found that any of the basic data shown thereon are incorrect, the case shall be handled in accordance with the procedure set forth in Section III, Subsection A, hereof.

If the signature is affixed in a representative capacity, the adjuster must determine that a power of attorney or other acceptable evidence is on file in the courthouse or the county office authorizing the person to sign in the capacity in which he signs. If, after the insured has signed the form, the adjuster can certify to the statements in item 24, he shall sign and date the form in the spaces provided.

Item 25: This item is for the use of the Director.

8. Boxes Designated "For Branch Office Use Only"

The adjuster shall make no entries in these boxes, which will be used by the Corporation in notifying state and county offices of changes in the premium for the contract in each case where the premium for the measured acreage shown on Form 867 is less than the premium for the reported acreage for the insurance unit.



9. Cases Where the Insured and Adjuster Cannot Agree

If the insured and the adjuster cannot agree on the settlement of a loss claim, two Forms 867 shall be prepared, one showing the data submitted by the insured and signed only by him, and the other showing the data determined by the adjuster and signed only by him. A statement on Form 6 explaining in detail why no agreement is possible should be submitted by the adjuster. The adjuster shall submit both forms to the Director in accordance with General Procedure 4. Every effort should be made to handle these cases as promptly and speedily as possible.

10. Transmitting Forms 867 to the Director

The adjuster shall forward daily to the Director all copies of all completed Forms 867. All copies of any Form(s) 6 prepared as provided in this procedure shall be attached securely to the related Form 867.

SECTION III. CORRECTED FORMS 867, DELAYED NOTICES OF LOSS  
OR FORMS 867

Subsection A. Corrected Forms 867

If after a Form 867 has been filed by the insured it is found that the basic data thereon are incorrect because of a bona fide error on the part of the insured or the adjuster, a corrected Form 867 (plainly marked "Corrected" in the heading thereof) shall be prepared and signed both by the insured and the adjuster. (However, unless the correction would change the indemnity as much as \$5.00, a "corrected" Form 867 should not be signed by the adjuster.)

In addition, the adjuster shall prepare Form 6 fully explaining how the error occurred and including all facts pertinent to the case. The Form 6 shall be attached to the "corrected" Form 867 and transmitted promptly to the director, together with the Form 867 originally filed by the insured, if such form has not already been transmitted. In no case shall the Form 867 originally filed by the insured be destroyed.

If after a Form 867 has been filed by the insured it is found that the basic data thereon are incorrect and it appears that the insured may have acted in bad faith by concealing some material fact, the adjuster shall prepare a Form 6 setting forth all pertinent facts regarding the case. If the insured wishes to file a "corrected" Form 867 in such cases, the adjuster shall not sign such form but shall attach thereto the Form 6. The Form 867 originally filed by the insured shall be transmitted promptly to the director in all cases, if it has not already been transmitted.

It will not be necessary to prepare a "corrected" Form 867 if the basic data on the original form is correct and settlement has been made in a lesser amount than the correct indemnity and the insured is requesting the additional amount.

Subsection B. Delayed Notice of Loss

A notice of loss (preferably in writing) shall be submitted to the county office immediately after the completion of harvesting of the last insured crop if a loss has occurred. (This notice is not necessary if the loss has already been



settled on the basis of an appraisal of unharvested corn in the field.) If notice is not given within 15 days after harvesting of the last insured crop is completed or December 31, 1949, whichever is earlier, the Corporation has the right to reject any claim for indemnity.

In making each inspection after the time of loss, the adjuster shall determine the time of loss on the unit and compare this date with the date the insured gave notice of loss at the county office, as shown on Form 8.

1. If the notice of loss was given within 15 days after the time of loss the case shall be handled in the usual manner.
2. If the notice of loss was given more than 15 days after the time of loss but in sufficient time for a Form 867 to be filed within a 60-day period after the time of loss, the insured shall be informed of the requirement of the contract for giving notice within 15 days after the time of loss. The adjuster shall request the insured to submit a statement along with the Form 867, if one is filed, showing the reasons for the delay in filing a notice of loss. In these cases, the adjuster shall prepare a Form 6 showing (a) whether he was able to accurately determine the actual acreage, (b) the method used in determining the production, (c) whether he is entirely satisfied that all production was accounted for, (d) whether he feels certain that he was able to ascertain the extent of any uninsurable cause of loss and the method of making per acre appraisals for such causes, (e) in what respects the evidence with regard to acreage and production is or is not as satisfactory as it would have been if the notice had been submitted within 15 days, and (f) any other facts which he considers pertinent to the case.
3. Where it is evident when the adjuster receives Form 8 that it will not be possible for the insured to file a Form 867 within the 60-day period after the time of loss, he should follow instructions of the director pertaining to the making of inspections in such cases.

Where it is not evident when the adjuster receives Form 8 that it will be impossible for the insured to file a Form 867 within the 60-day period after the time of loss, but he finds upon inspection that the notice was given too late to permit the inspection to be made and the Form 867 to be filed within this period, the adjuster shall make the inspection, prepare Form 863 and obtain from the insured a written statement as to the reason for the delay in filing the notice of loss, and submit the case to the director for consideration without preparing a Form 867. However, if the insured insists upon filing a Form 867 in cases of this kind, he should be permitted to do so, but he should be informed of the 15-day provision for reporting loss to the county office and the 60-day provision for filing a Form 867, but the adjuster should not sign these Forms 867 indicating his approval.

#### Subsection C. Delayed Forms 867

The contract provides that the Form 867 shall be filed not later than 60 days after the time of loss, unless the time for filing the claim is extended in writing by the Corporation. The 60-day period after the time of loss will not be extended except in the most meritorious cases. Where a Form 867 is submitted more than 60 days after the time of loss, the adjuster shall request the insured to submit along with the Form 867, a statement showing the reasons for the delay in order that a determination may be made as to whether the extension is to be granted.



In these cases, the adjuster shall prepare Form 6 showing (a) whether he was able to accurately determine the actual acreage, (b) the method used in determining the production and per acre appraisals, (c) whether he is entirely satisfied that all production was accounted for, (d) whether he feels certain that he was able to ascertain the extent of uninsurable cause of loss and the method of making per acre appraisals for such causes, (e) in what respect the evidence with regard to acreage and production is or is not as satisfactory as it would have been if the notice had been submitted within 60 days, (f) any other facts which he considers pertinent to the case, and (g) his recommendation as to action which should be taken on the case.

#### SECTION IV. DISTRIBUTION OF FORMS

The following distribution shall be made of the forms used in this procedure.

##### Form 6

Distribution of this form shall be made in accordance with the purpose for which it was used. If a copy is for the insured it should be forwarded to him at the completion of the preparation of the form.

##### Form 863

The state office copy shall be forwarded daily to the director. The insured's copy shall be given to the insured at the completion of the inspection. The county office copy shall be filed in the insured's crop insurance folder in the county office.

##### Form 867

The adjuster shall forward all copies of Form 867, including the insured's copy to the director.

After a review thereof has been made by the Corporation, the insured's copy will be mailed him, the state office copy will be filed in the related folder, and the county office copy will be forwarded to the county office for filing in the insured's crop insurance folder after any necessary corrections in the premium, as are indicated at the bottom of Form 867, are made on county office records of the insured's premium account.

##### Form FCI-15, "Transmittal Sheet"

Form FCI-15 will be prepared by the director. The branch office copy shall be forwarded to the branch office together with Forms 867 and any attachments. The county office copy shall be forwarded to the county office. The state office copy shall be retained and filed in the state office.



